

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 15-199

ABENAKI WATER COMPANY

Petition for Sewer Rate Adjustment

Order Authorizing Sewer Rate Adjustment

ORDER NO. 26,223

February 28, 2019

In this order, the Commission approves a request of Abenaki Water Company for an increase in its sewer rates for its Lakeland Sewer System in Belmont, to reflect increased municipal sewer rates being charged by the City of Laconia.

I. PROCEDURAL HISTORY

On December 31, 2018, Abenaki Water Company (Abenaki or the Company), filed a petition seeking approval to make an adjustment in its sewer rates for the Company's Lakeland Sewer System (Lakeland) in Belmont to reflect recent changes in municipal sewer rates associated with that system. The Lakeland system "collects wastewater and discharges it to the City of Laconia for treatment in the Winnepesaukee River Basin Program." *Abenaki Water Company*, Order No. 25,905 at 8 (June 3, 2016). The City of Laconia (City) sets the formula for assessing the sewer charge to its member communities, including Lakeland. *Id.* at 4-5.

According to the Company, the City notified Abenaki on November 5, 2018, that the Laconia City Council approved an increase to the sewer rates. The Company further asserted those rates that would be charged to Abenaki for usage beginning December 1, 2018.

The Commission previously approved this sewer-related adjustment in Order No. 25,905, which stated that "if [the sewer charges] increased, the parties agree that [Abenaki] may, no later

than December 31, 2017, seek one adjustment to its Belmont sewer rates based on the then known and measurable change to the charges assessed to [the Company].” *Id.* at 8.¹ The Company twice requested an extension of time, which the Commission approved by Secretarial Letters issued on December 22, 2017, and June 13, 2018, respectively.

The Commission suspended the tariff amendments submitted by the Company along with its December 31, 2018, filing for a period of three months. *Abenaki Water Company, Inc.*, Order No. 26,217 (January 30, 2019).

Commission Staff (Staff) filed its recommendation on February 12, 2019, which included a recommended effective date to be on a service-rendered basis as of the date of issuance of the order. The Company responded two days later, requesting an effective date of December 1, 2018. The Company provided an attachment showing the lost revenues Abenaki would incur if the request were not granted. Staff filed an additional report on February 26, 2019.

The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are posted to the Commission’s website at <http://www.puc.nh.gov/Regulatory/Docketbk/2015/15-199.html>.

II. POSITIONS

A. Amount of Adjustment

Staff and Abenaki worked together to determine the amount of the rate adjustment. Both parties agreed that the adjustment in the sewer rates charged by Laconia increased the Company’s previously-approved revenue requirement by \$6,966. According to Staff’s

¹ The procedural history of the docket is more fully described in Order No. 25,905.

recommendation, an average single family residential customer will see an increase in their sewer billing fees of approximately \$2.50 per month.

Staff noted that the adjustment was previously authorized by the Commission in Order No. 25,905. Staff stated that both parties calculated the revenue requirement associated with the increased expense using previously approved schedules. As such, Staff stated that a just and reasonable determination of the resulting rate by the Commission was not necessary as it had already been made.

B. Effective Date

Staff recommended the effective date of the adjustment to be on a service-rendered basis effective as of the date of the order approving the adjustment. Staff argued that this would give customers sufficient notice of the adjustment.

The Company argued that the effective date of the adjustment should be December 1, 2018. The Company provided an attachment to its February 14, 2019, filing detailing the revenues it asserted would be lost if the Commission agreed to Staff's effective date.

Staff submitted an additional filing on February 26, 2019, regarding the City's billing practices. Staff reported that Abenaki is billed quarterly and in arrears by the City. Thus, the City's approved sewer rate increase effective for bills dated on or after February 1, 2019, reflects usage by Abenaki beginning December 1, 2018.

III. COMMISSION ANALYSIS

We find that Abenaki's request is appropriate and conforms to the Commission's previous authorization and direction provided in Order No. 25,905. The adjustment was previously anticipated and authorized by the Commission. Relying on Staff's recommendation,

the Commission has determined that the adjustment is mathematically appropriate and conforms with the mechanism previously approved in Order No. 25,905. As such, we approve a revenue requirement increase of \$6,966.

Because the City's rate increase impacts Abenaki's usage beginning December 1, 2018, we will allow Abenaki to recover the increase from that date. Customer notice of this proposed adjustment was provided in Order No. 25,804 (Order Suspending Proposed Tariff and Scheduling Prehearing Conference (August 28, 2015)). In addition, in Order No. 25,905, customers were provided notice that when the City rate was raised, a commensurate increase in Abenaki's sewer rate would occur.

We will allow Abenaki to bill its customers a surcharge to recover the increased charges from the City for usage beginning December 1, 2018, before Abenaki's rates were adjusted. Going forward, the monthly rate adjustment approved herein will be sufficient to satisfy the increased charges from the City in a timely manner.

Based upon the foregoing, it is hereby

ORDERED, that Abenaki Water Company's requested adjustment, resulting in an annual revenue requirement increase of \$6,966, is APPROVED; and it is

FURTHER ORDERED, that the rate adjustment is effective for increased sewer rates charged by the City of Laconia beginning December 1, 2018; and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 1603, Abenaki shall submit properly annotated revised tariff pages consistent with this order within 15 days of the date of this order; and it is

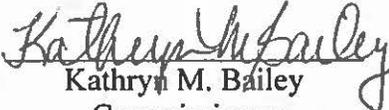
FURTHER ORDERED, that Abenaki may implement a surcharge to recoup revenues necessary to pay the increased municipal sewer charges incurred between December 1, 2018, and the date of this order; and it is

FURTHER ORDERED, that Abenaki shall file, within 30 days of the date of this order, documentation of the uncollected revenues, that went into effect December 1, 2018, and file the proposed surcharge for recovering the uncollected revenues from customers.

By order of the Public Utilities Commission of New Hampshire this twenty-eighth day of February, 2019.



Martin P. Honigberg
Chairman



Kathryn M. Bailey
Commissioner



Michael S. Giaimo
Commissioner

Attested by:



Debra A. Howland
Executive Director